GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Panchayat Raj & Rural Development - The Fifteenth Finance Commission (FFC) Grants to the Rural Local Bodies – Operational Guidelines for release and utilization of Grants – Orders – Issued.

PANCHAYAT RAJ & RURAL DEVELOPMENT (PTS.II) DEPARTMENT

G.O.Ms.No.20 **Dated:12-05-2022**

Read the following:

1. G.O Ms No. 680, PR&RD(PTS.II) Department, Dt.02.11.2020.
2. Lr. No. 15 (2)FC- XV/FCD/2020-25, Dt.14.07.2021 of the Director (FCD), Government of India, Ministry of Finance, Department of Expenditure (Finance Commission Division).
3. Lr.No.W-11042/52/2020-JJM.II-DDWS, dt.21.07.2021 of the Government of India Ministry of Jal Shakti, department of Drinking Water & Sanitation.
4. Lr.F.No.M-11015/404/2020-FD,dt.23.08.2021 of the Ministry of Panchayat Raj,GoI, New Delhi.
5. Joint D.O.Lr No.F-27-7/2021-IS-9, dt.16.09.2021 of the Ministry of Education& Min.of Panchayat Raj, GoI, New Delhi.
6. D.O No.M-11015/293/2021-FD, dt.27.09.2021 of the Ministry of Panchayat Raj, GoI, New Delhi.
7. From the Commissioner, PR&RD Letter. No. 567/CPR&RD/H1/2018, dt.30.09-2021.
8. From the Govt. of India, Ministry of Power, Lr.No.12/01(01)/2021-UR&SI-ii-(E-260129), Dt.15.12.2021.

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ORDER

The 15th Finance Commission was constituted by the President of India and was, inter-alia, mandated to recommend measures needed to augment the Consolidated Funds of the States to supplement the resources of the Panchayats during 2020-2025. In line with 73rd Amendment to the Constitution of India, 15th Finance Commission has recommended grants to Rural Local Bodies/ Panchayat Raj Institutions (RLBs/ PRIs) for next five years i.e. up to 2025-26.

2. In the G.O. 1st read above, Government had issued Operational Guidelines for release and utilization of 15th finance commission grants in the state for the year 2020-21.

3. The Ministry of Finance, Government of India have communicated, vide letter 2nd read above, the Operational Guidelines for the implementation of the recommendations of the Fifteenth Finance Commission for the award period from 2021-22 to 2025-26.

4. In the letters 3rd, 4th and 5th read above, Ministry of Panchayat Raj and Ministry of Jalashakthi Department of Drinking Water and Sanitation, GoI, New Delhi have communicated advisories for utilization of Fifteenth Finance Commission (FFC) Grants for rural local bodies.

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5. The Commissioner, PR&RD in the reference letter 7th read above, has furnished the consolidated draft Operational Guidelines which are prepared in consonance with the guidelines communicated by the Government of India for Utilization of Fifteenth Finance Commission grants by the rural local bodies for the period from 2021-22 to 2025-26 and requested the Government to issue comprehensive guidelines for utilization of Fifteenth Finance Commission (FFC) Grants by the rural local bodies.

6. After careful consideration of the matter, in continuation of the Government orders issued in the G.O. 1st read above, Government hereby issuethe following operational Guidelines for release and utilization of Grants of Fifteenth Finance Commission.

GUIDELINES TO PRIs ON 15th FINANCE COMMISSION GRANTS

The 15th Finance Commission allocated the total Grants in 40:60 ratio between the following type of Grants and each grant release in two installments in every financial Year.

1. Basic (untied) Grant.
2. Tied Grant.

Distribution of Grants:

The Grants for each financial year will be distributed among Panchayat Raj institutions in the ratio of 70:15:15 for Gram Panchayats, Mandal Praja Parishads and Zilla Praja Parishads respectively. The Commissioner, PR&RD shall distribute the Grants to the District Panchayat Officers (70% of total grant), to the Chief Executive Officer, ZPP (15% of total grant) and to Mandal Praja Parishads (15% of total grant) through Chief Executive Officers, ZPPs in the state. These institutions shall receive the 90% of grants based on 2011 census population and 10% of grants based on Area.

The Commissioner, PR&RD shall submit the Grant Transfer Certificate in the prescribed format, after receipt of every instalment of Grant, to the Government.

Basic Grants

The Basic grants are untied grants and the RLBs can utilize grants for the following indicative list of items.

Gram Panchayats

- Immunization of children; prevention of malnutrition of children.
- Construction and repair of Gram Panchayat Bhavans, Community Halls, Health sub centres, Anganwadi centres, veterinary centres.
- Construction and repair and maintenance of Roads within Gram Panchayat and inter GP and drains.
- Construction and repair of foot paths within Gram Panchayatand inter Gram Panchayat.
- Construction and repair and maintenance of LED street lights and solar lighting as applicable (solar street light may be individual poles or centralised solar centralised panel system)within GP and inter GP
- Acquisition of land & maintenance and up keeping of dead body burial grounds. Construction, repair and maintenance of crematorium

- Providing sufficient and high bandwidth Wi-Fi digital networkservices within GP
- Public Library; recreation facilities including children's park, play ground, rural hat, sports & physical fitness equipments etc.
- Immediate relief work in the event of natural disaster/pandemic
- Discharge of responsibilities specifically mandated to Panchayats undervarious Acts/Laws e.g. Preparation and updation of People's Biodiversity Register (PBR) under Bio diversity Act 2002.
- The expenditure required for auditing of accounts by external agencies including social audit approved by the State Government, however, may be borne from this grant.
- Afforestation on barren lands, Community sites, Avenue Plantation and Institutional Plantation.
- **Clear all pending dues of Electricity Charges to the DISCOMS/EESL and also give preference to the payments of regular bills for Electricity Consumption.**

Mandal Praja Parishads

- Maintenance of Mandal Praja Parishad buildings/Assets.
- Maintenance of Hand Pumps
- Construction and upgradation of Rural Roads
- Construction and upgradation of Schools, PHCs and Sub-centres, Veterinary Hospitals.
- Afforestation on barren lands, Community sites, Avenue Plantation, Institutional Plantation and procurement of accessories.
- Upgradation of facilities in burial grounds
- The expenditure required for auditing of accounts by external agencies including social audit approved by the State Government, however, may be borne from this grant.

Zilla Praja Parishads

- Operation and Maintenance of CPWS schemes and Multi VillageSchemes
- Maintenance of Zilla Praja Parishad buildings/Assets.
- Construction and up gradation of Rural Roads
- Promotion of industries including agro and food processing.
- Up gradation of facilities in burial grounds
- The expenditure required for auditing of accounts by the StateGovernment approved external agencies.

Basic (Untied) grants (up to 10% of the allocation) are allowed for meeting the technical and administrative support towards O&M and capitalexpenditure, which are as follows:

a. Hiring of professionals on contract/out sourcing basis – accountant cum data entry operator, technicians, engineer etc.
b. Purchase of computers and accessories in Panchayats/Traditional bodies which do not have any computer at present, as well as cost of AMC
c. Provision of Internet connectivity and recurring charges

d. One time purchase of essential furniture for GP office
e. Meeting the cost of professionals who may visit for inspecting quality of civil works
f. Data entry costs including payments to Common Service Centres (CSCs)
g. Updation of Accounts

h. Hire charges of vehicles in emergent cases for inspection of works
i. Cost of preparation of project reports and technical plans for implementation of projects.
j. Cost of preparation of GPDP- Covering all processes like IEC, surveys, preparing maps and other documents and holding consultations and cost of essential consumables.

The Rural Local Bodies (RLBs) can also utilize the Untied grants for maintenance and creation/strengthening of basic infrastructure facilities in Primary/Upper Primary/Secondary/Higher Secondary Schools on priority, such as;

a. Maintenance of school buildings
b. Safe drinking water; piped water supply; hand washing units;
c. Boys & girls toilets along with urinals;
d. Sanitary pad vending machines & incinerators;
e. Divyang friendly toilets, ramps and other accessibility features;
f. Kitchen facilities and sheds for MDM; kitchen gardens;
g. Functional electricity connection;
h. Bharat Net Wi-Fi facilities;
i. Appropriate flooring in classrooms and toilets;
j. Repair of school doors/windows/fixtures; boundary walls along with gate, etc,;
k. Preparation and maintenance of Play Grounds.
l. Installation of rain water harvesting system in school buildings as per "Catch the Rain Campaign".

However, the Rural local bodies (RLBs) can utilize the Untied grants for all the twenty-nine subjects enshrined in the Eleventh Schedule to the Constitution on priority basis, except for salaries & other establishment costs.

Tied Grants

The tied grants can be utilised for the following basic services in 50:50 ratio.

a) Sanitation & maintenance of ODF status, and this should include management and treatment of house hold waste, human excreta and faecal sludgemanagement.

b) Supply of drinking water, rain water harvesting and water recycling. Bringing water from nearby surface source, bore well, in-village distribution network with tap connections to the House Holds (FHTC).

The local bodies shall, as far as possible earmark one half of these tied grants each to above two services. However, if any RLB has fully saturated the needs of one category and there is no requirement of funds for that purpose, it can utilise the funds for the other category. Such saturation shall be certified by the respective village Assembly/Gram Sabha and duly confirmed by the supervising authority of the Panchayats- District Panchayat Officer, the Mandal Praja Parishads- Chief Executive Officer, ZPP and the Zilla Praja Parishads- District Collector.

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Indicative list of works/ activities to be taken up from tied grants to RLBs/ PRIs for water & sanitation:-

A. I. Water related activities at Village level

1. Long-term sustainability of drinking water supply schemes to provide minimum service level of 55 litre per person per day of potable water on regular basis. Illustrative activities (but not exhaustive) are:

i.) Augmentation of existing water source(s) of drinking water including creation of new sources viz. bore well recharge, rainwater harvesting viz. check dams, rehabilitation of water bodies, watershed and springshedmanagement, etc.;

ii.) Providing piped water supply for drinking, hand washing and use in toilets in public institutions like schools, anganwadi centres, ashramshalas (tribal residential schools), health centres, GP buildings, public places like weekly haat/ bazar, mela ground, bus stand,playground/ sports complex, etc.;

iii.) Retrofitting of existing water supply schemes/ systems to improve service delivery for the design period;

iv.) Bringing water from a nearby surface source, bore well, in-village distribution network, overhead tank (ESR), sump;

v.) Construction of community washing & bathing complex for people having small houses;

vi.) Construction of cattle through in drought-prone and desert areas;

vii.) Grey water treatment and its reuse viz. stabilization pond and associated infrastructure; and

viii.) Management, operation and maintenance of drinking water supplyand grey water management systems.

2. In case of any new/ additional/ unconnected household in the village, GPs/ VWSCs/ Pani Samitis to provide tap water connection as per the rules prescribed by the State Government;

3. Water recycling and creation of water recharging structures/ mechanism;

4. Rejuvenation and de-silting of tanks/ water bodies/ lakes to meet drinking water need;

5. Abandoned borewells being hazardous to public safety may be sealed, if required; may be converted to recharge structure, for rainwater harvesting;

6. Taking up emergency breakdown and up-gradation post disasters/ exigencies;

7. Payment of re-occurring electricity charges of intra-village water supply systems in case of shortfall in-spite of collection of user charges and bulk water charges where water is taken from the grid/ external sources;

8. Human resource on outsourcing basis (Honorarium) and other administrative expenses and Honorarium to contractual staff (within 30% limit); and

9. O&M expenses of the above-mentioned activities, water audit and petty expenditure up to 10,000/- per month.

Water related activities at District and Mandal level

1. Disaster preparedness for any emergency/ crisis for rural water supply;

2. Rapid response in the event of natural disasters/ other exigencies for rural water supply.

B. Sanitation related activities

Indicative list of sanitation related works/ activities at Gram Panchayats:

Components	Activities
Community Sanitation	Toilets in public institutions like schools, anganwadi centres, ashramshalas (tribal residential schools), health centres, GP buildings, public places like weekly haat/ bazar, mela ground, bus stand, playground/ sports complex, etc.
	CSC if there is a felt need, is easily accessible – not far from habitation, and Community is willing to take responsibility for Operations and Maintenance
	Operation & maintenance of community sanitation complex
Solid Waste Management	Creation of compost pits for individual Households onlywhen community compost pits are not feasible
	Creation of community compost pits for a group of Households
	Operation & maintenance of community compost pits
	Creation of Shed for segregation, processing of wet and drywaste
	Operation & maintenance of composting shed/center
	Purchase of Tricycles/other battery -operated vehicles fordoor to door collection of waste
	Services of Collection & transportation of waste from household to treatment site
	Purchase of equipment (including safety equipment) forwaste management
	Purchase of segregation bins to fixed at publicplaces
	Materials required for composting
	Weighing machine for use in Solid Waste Management
	Purchase of litter bins to be fixed at public places
	Any other operation and maintenance needs related tosolid waste management
Plastic waste management	Creation of plastic waste segregation and storage unit toensure plastic is stored well till transported to disposal site

Liquid waste management	Grey water management system such as Waste Stabilization Ponds, Constructed Wetlands, DEWATS, or any other technology suitable for local conditions.
	Operation & maintenance of grey water management system
	Creation of drainage channel for management of greywater
	Creation of Small-bore pipe conveyance system
	Creation of Silt, Oil & Grease chamber for pre treatment of grey water before channelizing into community grey water management system
	Creation of soak pits individual Household for onsite grey water management only when community soak pits are not feasible
	Creation of community soak pits for group of Households for onsite treatment of grey water management
	Operation & maintenance of community soak pits
	Repair of drainage channel
Menstrual Hygiene management	Purchase of Sanitary Pad Dispenser for Menstrual waste management to be fixed at public places like schools, Anganwadi centres, Panchayat Bhawan and CSCs (Approved by CPCB and SPCB)
	Purchase of Sanitary Pad Incinerator for Menstrual waste management to be used at public places like schools, Anganwadi centres, Panchayat Bhawan and CSCs (Approved by CPCB and SPCB)
	Creation of deep burial pits for safe disposal of menstrual waste
Gobardhan	Creation of community and cluster Gobardhan projects
	Operation and Maintenance of Gobardhan Project
Fecal Sludge Management	Setting up of Fecal Sludge Management Plant (Deep Row Entrenchment, Planted Drying Bed, Unplanted Drying Bed)
	Services of Collection of Faecal Sludge from households/ Community Sani-tary Complex, School and Anganwadi toilet & Transportation to FSM plant. (Only mechanical cleaning is permitted)
	Operation & maintenance of Faecal Sludge Management Plant
	Retrofitting of single pit toilets to twin pit toilets or septic tanks with soak pits. Retrofitting would mean creation of soak pit for septic tank and an additional leach pit for single pit toilet. Routine maintenance of toilets to be done by the beneficiaries themselves.

C. **Indicative List of sanitation related workS/ activities at Mandal and District Levels**

Level of Activity	Components	Activities
Mandal Panchayat	**Community Sanitation**	Creation of Community Sanitary Complex at public places with need of sanitation facility, which is easily accessible – not far from habitation,
	Solid Waste Management	Creation of Solid waste sheds for a group of villages where solid waste from a group of villages can be collected and stored
	Plastic Waste Management	Setting up of Plastic Waste Management Unit (PWMU)/ Material Recovery Facility (MRF) for a group of villages
		Operation and maintenance of Multi Village(MV)-PWMU/MRF
		Hiring of services for transportation of Plastic Waste from a group of villages to the MV-PWMU/MRF
	Liquid Waste Management	Drainage arrangements for transportation of wastewater from a group of villages to a common treatment unit where distance between the villages is not too far and common treatment facility is the only feasible solution
		Creation of waste settlement ponds for a group of villages where distance betweenthe villages is not too far and common treatment facility is the only feasible solution
		Operation and maintenance of multi village wastewater arrangements
	Gobardhan	Implementation of Gobardhan Units
		Transportation of cattle and other waste from a group of villages to the Gobardhan Units
		Operation and maintenance of GobardhanUnits
	Faecal Sludge Management	Setting up of Faecal Sludge Management Plant (Deep Row Entrenchment/ Planted Drying Bed/Unplanted Drying Bed)

		Services of collection of Faecal Sludge from a group of villages and transportation to a multi village FSM plant. (Only me- chanical cleaning is permitted)
		Operation & maintenance of Faecal SludgeManagement Plant
		Retrofitting of single pit toilets to twin pit toilets or septic tanks with soak pits. Retrofitting would mean construction of soak pit for septic tank and an additional leach pit for single pit toilet. Routine maintenance of toilets to be done by the beneficiaries themselves.

DIStrict/ Zilla Panchayat	**Community Sanitation**	Creation of Community Sanitation Complexes in public places with acute need for sanitation services
	Solid Waste Management	Creation of Solid waste sheds for a group of villages where solid waste from a group of villages can be collected and stored
	Plastic Waste Management	Setting up of Plastic Waste Management Unit for a group of villages/Mandals
		Operation and maintenance of MV-PWMU
		Vehicle for transportation of Plastic Waste from a group of villages to the MV-PWMU
	Liquid Waste Management	Drainage arrangements for transportation ofwastewater from a group of villages to a common treatment unit where distance between the villages is not too far and common treatment facility is the only feasible solution
		Creation of waste settlement ponds for a group of villages where distance between the villages is not too far and common treatment facility is the only feasible solution
		Operation and maintenance of multi village waste water arrangements
	Gobardhan	Implementation of Gobardhan Units
		Transportation of cattle and other waste from a group of villages to Gobardhan Units
		Operation and maintenance of Gobardhan Units

	Faecal Sludge Management	Setting up of Faecal Sludge Management Plant (Deep Row Entrenchment/ Planted Drying Bed/Unplanted Drying Bed)
		Services of collection of Faecal Sludge from a group of villages and transportation to the district FSM plant. (Only mechanical cleaning is permitted)
		Operation & maintenance of Faecal Sludge Management Plant
		Retrofitting of single pit toilets to twin pit toilets or septic tanks with soak pits. Retrofitting would mean
		creation of soak pit for septic tank and an additional leach pit for single pit toilet. Routine maintenance of toilets to be done by the beneficiaries themselves.

Indicative List of technical and administrative expenses permissible under tied-grant for water and sanitation.

The cost of technical and administrative support should not exceed 10% of the allocation to the RLBs under tied grant, and the expenditure can only be incurred by the RLB concerned.

1. payment of professional fees for the services of contractual and outsourcing personnel e.g. accountant-cum-data entry operator, technicians, engineer, (more specifically for projects) etc.;
2. Hiring of support agencies for implementation of Gobardhan projects, plastic waste management and Faecal sludge management (the support agencies can be involved in planning, designing, setting up/managing of projects and their O&M, capacity building, and IEC);
3. Payment of honorarium to swachhagrahis, jal sahiyas, pump operators, plumbers, wire-man, water quality surveillance personnel, etc.
4. Cost of hiring professionals for quality check of civil works;
5. Training of PRI elected representatives and officials, for hiring professionals skilled in the use of software, use of eGramSwaraj and, GPDP planning, reporting etc.;
6. Data Entry costs, including payments to Common Service Centres (CSCs);
7. Updation of accounts, auditing expenses, etc.;
8. Cost of preparation of project reports and technical plans for the implementation of water and sanitation projects;
9. Cost of preparation of GPDP, covering all processes like PRA, IEC, surveys, preparing maps and other documents and holding consultations and cost of essential consumables.

Eligibility Conditions for release of Grants:

The 1st instalment of every year during the award period will be released in the month of June for the bodies which have complied with the following conditions. The 2nd instalment will be released in the month of October upon receipt of Grant Transfer Certificate of the 1st instalment and utilisation of at least 50% of the funds transferred during the previous year.

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(A) **For release of Untied and Tied grants:**

i. RLBs have to mandatorily prepare and make available online both provisional accounts of the previous year and the audited accounts of the year before previous as entry level conditions to avail the grants.
ii. the rural local bodies shall be duly constituted (except for the Areas where Part IX of the Constitution does not apply).

A. **For release of Tied grants:**- Rural Local bodies are eligible fortied grants subject to fulfilment of the following conditions:

i. Uploading of GPDP/BDP/DDP in eGramSwaraj (or through DDWS- IMIS containing details of Annual Action Plan of Village/Mandal/District for Sanitation and Drinking Water Supply by the RLBs in the format as may be prescribed by the DDWS.

Annual Action Plan for Drinking Water Supply shall include:-Details about Supply of drinking water, rain water harvesting and water recycling.

Annual Action Plan for Sanitation shall include:-Status & maintenance of ODF and planning and implementation of SLWM interventions in the local body.

(ii) Uploading of details about utilization 15 F.C. funds [both components] on the website.

i. Any other conditions which may deem fit in connection with the stated objective of the tied grant.

Accounting and Auditing:-

From the year 2021-22, all the Rural Local Bodies (RLBs) shall maintain their accounts of 15th Finance Commission grants online on eGramSwaraj and also make payments to vendors/service providers through eGramSwaraj-PFMS interface. Further the auditing of the annual accounts are also to be carried out on the **'Audit online'** application of Ministry of Panachayat Raj, GoI, New Delhi, from the year 2020-21 onwards. From the Year 2023-24 onwards, grants will be adjusted only for the Rural Local Bodies (RLBs) who make available both provisional accounts of the previous year and audited accounts for the year before the previous year on 'Audit Online'.

The Utilisation Certificates and the Audit Report on the Accounts of Gram Panchayats (by DPOs) and Zilla Praja Parishads and Mandal Parishads (by Chief Executive Officers, ZPPs) shall furnish to the Commissioner, PR&RD before 30th April every year.

Convergence of funds:-

Gram Panchayats, Mandal Parishads and Zilla Parishads can utilise tied grant components in convergence with any other scheme aided by the union Government with similar outcomes and jurisdiction with the ultimate aim to cover maximum population within the jurisdiction of the concerned local body or to improve the quality of the assets proposed to be constructed for the purpose. However, 15th Finance Commission grants should not be used as a State share/contribution towards any particular scheme. While the Gram Panchayats shall operate the tied grants for tapping locally available resources for achieving the objectives/goals, convergence with national schemes at Mandal or district Panchayats level will ease the operations as well as resource transfer for such schemes.

7. The Commissioner, PR&RD, all the District Collectors, District Panchayat officers, Chief Executive Officers, Zilla Praja Parishad in the State are requestedto adhere to these guidelines.

8. This orders issues with the concurrence of the Finance Department vide their U.O. No. FIN01-COOR0MEET/2/2021-CASPS-FC, (Computer No. 1571311)

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

AJAY JAIN
SPECIAL CHIEF SECRETARY TOGOVERNMENT

To
The Commissioner, Panchayat Raj and Rural Development Andhra Pradesh, Tadepalli, Guntur district.
All the District Collectors in the State. **(through the O/o. Commissioner, PR,Tadepalli, Guntur)**
All the CEOs of ZP in the State. **(through the O/o. Commissioner, PR,Tadepalli, Guntur)**
All District Panchayat Officers in the State. **(through the O/o. Commissioner,PR, Tadepalli, Guntur)**
The Engineer in Chief [Panchayat Raj], AP, Amaravati.
The Chief Engineer (Admn.) O/o the Engineer in Chief, [Rural Water Supply],Andhra Pradesh, Amaravati.
The Director, State Audit, Andhra Pradesh, Amaravati.
The Director, Treasuries and Accounts, Andhra Pradesh, Amaravati.
The Accountant General, Andhra Pradesh, Amaravati.

Copy to:

The PA to Hon'ble CS to Government, A.P.Secretariat, Velagapudi.The Director (FDC), Ministry of Finance,
The Secretary, GOI, Ministry of Panchayat Raj, Krishi Bhavan, Dr. Rajendra Prasad Road, New Delhi, 110001.
Department of Expenditure, Government of India, 11th Block, 5th Floor, CGO Complex, Lodhi Road, New Delhi 110003.
The Finance (FC) Department.
The Panchayat Raj & Rural Development (Progs./RWS/Mdl.I) Department.
The P.S. to Prl. Secretary to Government.
Sf/Sc.

//FORWARDED :: BY ORDER//

T. Jagadish
SECTION OFFICER